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**E-FILED ON AUGUST 24, 2006**

and

Lenard E. Schwartzer  
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 Attorneys for Debtors

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case Nos. BK-S-06-10725 LBR  
 Case Nos. BK-S-06-10726 LBR  
 Case Nos. BK-S-06-10727 LBR  
 Case Nos. BK-S-06-10728 LBR  
 Case Nos. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

Chapter 11

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**SUPPLEMENTAL DECLARATION IN  
 SUPPORT OF APPLICATION BY DEBTOR  
 AND DEBTOR-IN-POSSESSION FOR  
 AUTHORIZATION TO RETAIN AND  
 EMPLOY SCHWARTZER & MCPHERSON  
 LAW FIRM AS COUNSEL UNDER  
 GENERAL RETAINER**

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA First Trust Deed Fund, LLC

Date: n/a  
 Time: n/a

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I, Jeanette E. McPherson hereby declare and state as follows:

1. I am an attorney licensed to practice law in the State of Nevada, and I am the managing partner of the Schwartzer & McPherson Law Firm. I have personal knowledge of the facts recited herein, and I am competent to testify regarding them if called as a witness in this matter.

2. I make this declaration and disclosure in support of the Application By Debtor and Debtor-In-Possession To Retain And Employ Schwartzer & McPherson Law Firm As Counsel Under General Retainer (the "Application").

3. Schwartzer & McPherson Law Firm ("S&M" or the "Firm") has been retained to represent USA Commercial Mortgage Company ("USACM"), USA Securities, LLC, USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust Deed Fund, LLC ("FTD Fund")(collectively, the "Debtors").

4. With respect to S&M's involvement with, or representation of, the debtors and/or creditors in this bankruptcy case, S&M states the following:

a. On August 10, 2006, S&M filed a Motion to Reject Personal Property Leases (See Docket No. 1131) in which IKON was listed as a lease that USA proposes to reject.

b. We have recently discovered that IKON Financial is a lessor for S&M.

c. S&M and co-counsel Ray Quinney & Nebeker, P.C. ("RQN") have agreed that any matter arising with respect to IKON that may pose a potential conflict of interest for S&M will be handled solely by RQN.

5. Based upon the foregoing, it is my belief that the Firm does not represent any interest which would be adverse to it or the bankruptcy estate. Accordingly, S&M is disinterested under sections 101(14) and 327(a) and (c) of the Bankruptcy Code.

6. To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and correct.

DATED: August 23, 2006

/s/ JEANETTE E. MCPHERSON  
 Jeanette E. McPherson